

Message Text

LIMITED OFFICIAL USE

PAGE 01 SANTO 03586 301633Z

51

ACTION ARA-10

INFO OCT-01 ISO-00 EB-05 RSC-01 DRC-01 /018 W

----- 111812

R 301545Z AUG 74

FM AMEMBASSY SANTO DOMINGO

TO USDOC WASHDC

SECSTATE WASHDC 1350

LIMITED OFFICIAL USE SANTO DOMINGO 3586

COMMERCE FOR DIBA/OED/MEPD AND FOREIGN INVESTMENT STAFF

E.O. 11652: N/A

TAGS: ENRG, BMEP, BEXP, DR

SUBJECT: PETROLEUM EXPLORATION IN THE DOMINICAN
REPUBLIC

REF: A) SD 0366, B) USDOC 3087, C) SD A-39, APR 9, 1974

D) SD A-58, MAY 13, 1974, E) SD A-89, AUG. 14, 1974

1. OFFICIALS OF AMERICAN ULTRAMAR/CORPA BRIEFED EMBASSY OFFICERS AUG 28 ON THE OIL EXPLORATION FEASIBILITY STUDY THEY WERE TO PRESENT THAT EVENING TO PRESIDENT BALAGUER. THEIR CONCLUSION: AT CURRENT WORLD PRICES OR EVEN AT PRICES OF SIX OR SEVEN DOLLARS A BARREL, THERE MAY WELL BE OIL IN COMMERCIAL QUANTITIES IN THE DOMINICAN REPUBLIC; IN ANY EVENT, THE FACTS WOULD JUSTIFY FURTHER EXPLORATORY EFFORTS.

2. ULTRAMAR/CORPA IS CURRENTLY PLANNING A SUPERPORT/ REFINERY IN THE AZUA AREA OF THE DR. EARLIER THIS YEAR THE FIRM OFFERED TO CONDUCT, FREE OF CHARGE FOR THE GODR, A SURVEY AND SUMMARY OF EXISTING STUDIES ON OIL POSSIBILITIES IN THE COUNTRY. THE STUDY IS ENTIRELY BASED ON RECORDS OF PREVIOUS EXPLORATION, SOME OF WHICH WERE SCATTERED AROUND VARIOUS AGENCIES AND PRIVATE FIRMS; NO NEW GEOLOGICAL TESTS WERE ATTEMPTED. ACCORDING TO THE OFFICIALS, THERE IS INSUFFICIENT EVIDENCE TO CONCLUDE DEFINITELY

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 SANTO 03586 301633Z

THAT THERE IS OR IS NOT SIGNIFICANT QUANTITIES OF

OIL IN THE DR; THEY ARE CONFIDENT, HOWEVER, THAT FOREIGN COMPANIES WOULD BE INTERESTED IN INVESTING IN OIL EXPLORATION HERE. JERSEY/STANDARD AND OTHERS FOUND TRACES OF OIL HERE SOME 30 YEARS AGO AFTER SOME SEISMOGRAPHIC WORK AND DRILLING, BUT IT WAS NOT THEN CONSIDERED PROFITABLE TO PURSUE THE EXPLORATION.

3. ULTRAMAR/CORPA IS RECOMMENDING TO THE PRESIDENT THAT THE OIL-POTENTIAL AREAS BE DIVIDED INTO SEVEN OR EIGHT SECTIONS AND THAT CONCESSIONS FOR EXPLORATION BE AWARDED TO A NUMBER OF DIFFERENT COMPANIES. THE REPORT SPECIFICALLY WARNS AGAINST "PROMOTERS" IN THE EXPLORATION BUSINESS. TOTAL ESTIMATED COST FOR A COMPLETE STUDY OF ON-SHORE OIL IN THE COUNTRY IS \$25 MILLION; SUCH A STUDY WOULD TAKE TWO YEARS.

4. AS OUTLINED IN REF A), THE GODR HAS YET TO DEFINE ITS OIL EXPLORATION POLICY, BUT THE PRESENTATION OUTLINED HERE MAY MOVE THE PRESIDENT TO TAKE SOME STEPS IN THAT DIRECTION. UNTIL BALAGUER DOES ACT, THERE WILL BE NO WAY OF KNOWING HOW THIS OPPORTUNITY WILL BE HANDLED, WHEN ANY ANNOUNCEMENT WILL BE MADE, OR WHO IN THE GODR WILL BE ASSIGNED THE RESPONSIBILITY.
HURWITCH

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PETROLEUM, EXPLORATION, INVESTMENT OPPORTUNITIES
Control Number: n/a
Copy: SINGLE
Draft Date: 30 AUG 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: martinml
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974SANTO03586
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740241-0619
From: SANTO DOMINGO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t1974083/aaaaacna.tel
Line Count: 85
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION ARA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: A) SD 0366, B) USDOC 3087, C) SD A-3, 9, APR 9, 1974
Review Action: RELEASED, APPROVED
Review Authority: martinml
Review Comment: n/a
Review Content Flags:
Review Date: 25 SEP 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <25 SEP 2002 by boyleja>; APPROVED <26 FEB 2003 by martinml>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: PETROLEUM EXPLORATION IN THE DOMINICAN REPUBLIC
TAGS: ENRG, EINV, BEXP, DR, ULTRAMAR CORP
To: COM STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005